

Virginia Revolutionizes Virtual Sphere of Procurement

With the dawn of eVA, a comprehensive, Internet-based tool for buyers and sellers, the Commonwealth of Virginia surges ahead online

By Kristin M. Atwater, Managing Editor

On March 1, 2001, the Commonwealth of Virginia launched a new, government-to-business Web site that promises to march forward in saving time, money, and paperwork.

Called eVA, the site harnesses the power of the Internet to unite public purchasers throughout the state with vendors. Purchasing professionals from all Virginia state agencies and higher-education institutions will receive eVA training, followed by a chance for local governments and school districts to tap into the portal.

The project is said to be the first of its kind to integrate all aspects of electronic procurement—from posting online catalogs of vendors, to handling bids, facilitating payments, and providing contract data.

Plans to create eVA stemmed from the vision of James S. Gilmore III, Governor of Virginia. In an Executive Order issued on May 24, 2000, Gilmore outlined an e-government initiative, designed to catapult the Commonwealth into America's forefront of electronic government. The goal of automating and streamlining procurement, via eVA, was a prime part of the master plan.

"My vision for a Digital Dominion will empower state agencies to improve operations," Governor Gilmore said. "eVA procurement is just one example of how the Commonwealth will increase efficiency across the state government."

Although eVA may be equated with "electronic Virginia," the name was selected for its stand-alone ability, rather than representing an abbreviation.

"We wanted a name that people would remem-

ber," states Donald C. Williams, Director of Virginia's Department of General Services. "We talked about some very descriptive, longer names, but eVA captured us." He adds that the visual aspect of the eVA logo adds to its impact on the Web site.

Most Virginia state purchasers will access eVA from desktop PCs, but the technology runs on any computer or other equipment outfitted with a Java-based Web browser. No additional hardware or software is needed.

The Web site includes free procurement information for public access, as well as password-protected sites for registered agencies and vendors. Checks and balances are also built into eVA to assure that only authorized individuals approve purchases.

Just log onto <http://www.eva.state.va.us> to enter the virtual, dynamic world that means business for Virginia purchasers and suppliers.



DESIGN, DELIVERY, AND DOLLARS

Even before receiving Governor Gilmore's Executive Order relating to electronic procurement, Virginia's Department of General Services (DGS) held meetings with vendors. Goals were to select the best supplier to help develop eVA, as well as design a system that met vendors' needs.

To begin the vendor selection process, the DGS launched an Internet Forum, in which the agency invited comments and suggestions from vendors who design and build electronic procurement systems. Then, DGS hosted a pre-solicitation conference, attended by vendors interested in bidding on a chance to develop the eVA Web site.

In addition, DGS sponsored focus groups across the state, in which vendors offered feedback about electronic procurement. These vendors, who produced everything from widgets to paper, ranged from large to small, and from novices to experts in the field of electronic procurement.

Based on vendor feedback, DGS issued a solicitation for eVA's design in June 2000, just one month after the Governor's Executive Order. By the middle of August, the State received about a dozen solicitations from e-procurement vendors.

After a series of evaluations and negotiations, DGS awarded a five-year contract, coupled with optional extensions, to American Management Systems (AMS), an information-technology consulting firm based in Fairfax, VA.

Although the Commonwealth owns all data associated with eVA, AMS helped design the technology and will host the Web site on the company's hardware. To provide eVA's comprehensive e-procurement functions, AMS integrates hardware and software from partner vendors, in addition to providing ongoing support and training.

On October 30, 2000, DGS introduced eVA and its new technology partner, AMS, to more than 450 state purchasing officials and vendors at the Virginia Public Procurement Forum in Roanoke, VA.

Under contract terms, the Commonwealth pays no up-front costs to AMS, and no governmental agency pays any fees to access eVA. Instead, eVA is funded by fees charged to participating vendors.

To join eVA, vendors select from a Basic Service

that costs \$25 a year, or a Premium Service for \$200 a year. Among services offered are:

- Online vendor registration;
- Electronic submission of bids and proposals;
- Posting of vendor catalogs;
- Electronic order receipt.

The Premium Service also provides "Push Technology," in which vendors receive e-mail notices of solicitations initiated by all agencies throughout Virginia. "Premium" vendors obtain the ability to re-search historical procurement data, as well.

Before accepting eVA transactions, each vendor signs a Trading Partner Agreement (TPA), which outlines the fees assessed. Vendors pay a one-percent transaction fee for all orders received through eVA. This fee is capped at \$500 for each order.

Williams explains that a sliding scale initially provides AMS more revenue than the Commonwealth, because AMS has not received any funds thus far for eVA development. As more dollars are received from vendor fees, the state then realizes a greater profit.

In all, keeping fees at a low, affordable rate for vendors is a top priority of eVA.

"We do not want to use eVA merely as a

revenue source for the Commonwealth," Williams notes. "Some states may be projecting huge dollar returns, but we want eVA to be about business. We want lower prices and more efficient operations for our agencies. We're not looking at eVA as an opportunity to milk a cash cow."

Williams adds that in a recent periodical, a representative from another state commented that "Virginia's fees are so low, they may not even be worth charging." According to Williams, "that's the greatest endorsement I've gotten yet."

SYSTEM STATUS

To date, six Virginia agencies are using eVA: the Department of General Services, the Treasury Department, the Department of Accounts, the State Police, the Department of Health, and central offices of the Virginia Community College System.

User agencies currently can tap into about 200 catalogs that fill an e-Mall of online shopping. As of May 17, 2001, 1,220 vendors have registered to join



Visit eVA on the Internet at:
<http://www.eva.state.va.us>

eVA, and 341 vendors have signed the contractual Trading Partner Agreements that apply to orders.

The Department of General Services is currently providing eVA training to 138 agencies, and hopes to have 168 agencies trained by July 1. However, the process of training agencies and posting online catalogs used by purchasers goes hand-in-hand.

According to Williams, eVA's success hinges on signing up vendors and posting online catalogs for a specific agency. For instance, "We could bring the Virginia Department of Transportation online tomorrow," he notes, "but unless we have all of the catalogs the agency needs from vendors, and those vendors are all online, the agency wouldn't have enough 'stock on the shelves' yet."

Version one of eVA is now underway, with additional enhancements and functions slated for July 1 and December 1, 2001. July additions include Interface Templates, in which a specific agency's procurement system, such as PeopleSoft or Oracle modules, will be adapted to "plug-and-play" with eVA.

Williams emphasizes that with eVA, "One size does not fit all. We believe that agencies have unique missions and unique needs . . . eVA will be used at different levels by different agencies."

The July 1 roll-out will also feature a Data Warehouse, which will capture information about products purchased by each state agency. DGS can consult this data to pinpoint across-the-board products purchased, and in turn initiate statewide contracts to procure these products at lower prices for agencies. Vendors at the "Premium" level can also access reports about products purchased.

December 1 enhancements include a full-fledged, virtual purchasing system, which integrates everything from solicitations to contracts.

"The virtual purchasing system," Williams says, "will allow us to literally put a solicitation out in the public domain, and through a series of secured sites, we can receive responses from vendors, evaluate them using electronic tools, and award the contract over the Internet."

Online, reverse auctions will also accompany the December 1 additions. With reverse auctions, a vendor offers a lower price than a previously posted bid for

a specific commodity. Vendors initially remain anonymous, and the bid is awarded to the vendor offering the lowest price as of a specified deadline.

December 1 will also greet enhanced capabilities for electronic receiving and invoicing. In addition, a new Knowledge Center will provide ongoing training, in-house and online, for agencies and vendors.

Williams explains that the Knowledge Center "will be Virginia's commitment that no vendor will be left behind. We will have a team of people who will go out in the field and continue to train people [such as] vendor personnel. We'll make sure that no matter how large or how small this company is, that they will have access to all of the information they need to do business with Virginia."

Continual feedback from agencies and vendors will help determine further refinements to eVA.

AGENCY ADVANTAGES

Through eVA, agencies can tap into a single source of product and procurement information to streamline purchasing workflow. Because eVA automates everything from solicitations to invoicing, purchasers can track the entire procurement process.

According to Williams, eVA can reduce time-consuming jobs such as phone calling and faxing to obtain products. "They [purchasers] will be able to buy a product and pay for it all at once, and that will greatly enhance their procurement life," he notes.



Ron Bell (seated), Director of the Division of Purchases and Supply for Virginia's Department of General Services, processes eVA's first purchase in March 2001 from a desktop computer. Sharing in the monumental event are members of the eVA development staff (left to right): Linwood Spindle, Jan Fatouros, Dale Kress, Rebecca Barnett, Peggy Maupin, Marion Lancaster, Linda Hardwicke, and Bryan Wagner.

In addition, eVA expedites small-purchase procedures. For purchases between \$1 and \$5,000, Virginia agencies only need one quote. Purchasers can access eVA's search engine, type in the name of a commodity, and the screen will instantly display all online catalogs for that commodity. Buyers can then pay for the item electronically, using an American Express purchasing card.

"Even on a single-quote purchase, [buyers] will be able to do some very quick shopping to make sure they're getting the best deal," Williams notes.

For purchases of \$5,000 to \$50,000, where more than one quote is required by agencies, eVA allows fast access to various vendors for price comparisons.

In addition, all state agencies in Virginia can buy products from about 350 contracts currently in place. By accessing eVA, the applicable contract instantly appears on-screen, and purchasers can receive the contracted, lower price. Virginia municipalities, counties, and school districts are also eligible to purchase off statewide contracts.

VENDOR VIEWPOINT

Because the Commonwealth of Virginia spends more than \$5 billion a year on goods and services, vendors who join eVA can optimize their chances of reaching this lucrative, government market. Through eVA, vendors receive a round-the-clock venue to tap into the state's purchasing power, as well as 24-hour access to solicitations and award notices.



Donald C. Williams, Director of Virginia's Department of General Services, often hosts presentations about eVA. He can be reached via e-mail at: Dwilliams@dgs.state.va.us.

"ELECTRONIC PROCUREMENT IS NOT ABOUT THE TECHNOLOGY, AND IT'S NOT EVEN ABOUT THE PROCUREMENT. IT'S ABOUT DOING BUSINESS, AND YOU HAVE TO LOOK AT THE BIG PICTURE OF DOING BUSINESS . . . IT'S ALL ABOUT BUILDING A SOLUTION THAT WORKS FOR YOU, FOR YOUR AGENCIES, AND FOR YOUR VENDORS."

***Donald C. Williams,
Director, Department
of General Services,
The Commonwealth
of Virginia***

A vendor need only sign up at eVA's central, on-line registration to access statewide, government business. In addition, because Virginia has no in-state preference law for purchasing commodities, any vendor throughout the U.S. has a chance to obtain business from the Commonwealth.

For vendors, eVA also reduces time-consuming administrative tasks associated with the bidding process, and allows faster response time to bids. To access government business, all a vendor needs is an Internet-based computer.

"Electronic procurement is a great way to level the playing field," Williams says. He notes that by adding eVA to computers, "every company, small or large, women- or minority-owned, in any demographic, can have total access to state business."

OVERALL OBJECTIVES

Williams likens eVA to "a fire hose of information, flowing back and forth. From the vendors, we have their catalogs, and we have statewide contracts that we can buy off of. To the vendor, we're also pushing out solicitations and a notification of solicitations. It's that back-and-forth exchange of information that's providing us with a lot of power."

When fully implemented, the Commonwealth expects to have tens of thousands of suppliers, close to 200 state agencies and universities online, and a chance for local governments to log on to the savings. Over the next five years, eVA expects to save

the Commonwealth millions of dollars, via more statewide contracts, lower prices for commodities, and reduced administrative costs.

"We don't expect the numbers to grow overnight," Williams says. He predicts that by late Fall 2001, the Commonwealth will see substantial sales through eVa. If eVA captures 20 percent of state business over the next few years, which equates to \$1 billion, "we're going to hit huge home runs," he believes.

Williams concludes, "Electronic procurement, electronic governance, is no longer the wave of the future. It is today. I think officials in every state are looking at ways to use new tools to improve the way they deliver services. We believe in Virginia that e-procurement, through our eVA project, is improving the way we deliver procurement services." □